

CONTRACT

Pursuant to the Michigan Revised School Code of ("Code"), as amended by Act No. 362 of the Public Acts of 1993, being Part 6A, Sections 380.501 to 380.507 of the Michigan Compiled Laws, and Act No. 416 of the Public Acts of 1994, being Part 6B, Sections 380.511 and 380.518 of the Michigan Compiled Laws, the Saginaw Valley State University Board of Control ("University Board") grants a contract confirming the status of a public school academy in this State to Cesar Chavez Academy (the "Academy"). The Parties agree that the granting of this Contract is subject to the following terms and conditions.

ARTICLE I DEFINITIONS

Section 1. 1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

- (a) "Academy" means the Michigan non-profit corporation named Cesar Chavez Academy which is established as a public school academy pursuant to this Contract.
- (b) "Academy Board" means the Board of Directors of Cesar Chavez Academy.
- (C) "Applicable Law" means all state and federal law applicable to public school academies.
- (d) "Code" means the Michigan Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (e) "Director" means a person who is a member of the Academy Board of Directors.
- (f) "President" means the President of Saginaw Valley State University or his or her designee.
- (g) "Resolution" means the resolution adopted by the Saginaw Valley State University Board of Control on June 4, 1996, establishing the method of selection, length of term and number of members of the Academy Board.
- (h) "University" means Saginaw Valley State University established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.711 et seq.
- (I) "University Board" means the Saginaw Valley State University Board of Control.

Section 1.2 Schedules. All schedules to this Contract are part of this Contract and incorporated into this Contract as if fully stated herein.

Section 1.3 Statutory Definitions. Statutory terms defined in Part 6A or Part 6B of the Code shall have the same meaning in this Contract.

ARTICLE II

ROLE OF SAGINAW VALLEY STATE UNIVERSITY BOARD OF CONTROL AS AUTHORIZING BODY

Section 2.1. Method of Selection, Length of Term and Number of Members of the Board of Directors. The University Board has adopted the Resolution providing for the method of selection, length of term, number of members, qualification of members, the procedure for removal of members and the names of the initial Academy Board. The Resolution is incorporated into this Contract as Schedule 1.

Section 2.2 Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. Additionally, the Academy shall be responsible for the following:

- (a) The Academy shall provide the President with a copy of the annual educational report as required by Applicable Law.
- (b) In the event that the President determines that the Academy's educational outcomes are not meeting the targeted educational goals, the University, at its discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the President. The Academy shall pay for the expense of the evaluation.
- (c) The Academy shall submit audited financial reports, including auditor's management letters and any exceptions noted by the auditors, to the University President. The reports shall be prepared by a certified public accountant and submitted to the President within one hundred twenty (120) days after the end of the Academy's fiscal year.
- (d) The Academy shall provide the President with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1.
- (e) The Academy, shall provide to the President agendas and notice in advance of all Academy Board meetings and minutes of all Academy Board meetings.
- (f) The Academy shall notify the President of correspondence received from the Department of Education or State Board of Education that requires a formal response.

- (g) The Academy shall immediately report to the President any litigation or formal proceedings alleging violation of Applicable Law by the Academy, its officers, employees, agents, and/or contractors.
- (h) The Academy shall permit visitation of its facilities and programs at any time by representatives of the University authorized by the President. No advance notice is required.
- (I) The Academy shall permit examination and/or duplication of the Academy's records at any time by representatives of the University authorized by the President.

Section 2.3. Reimbursement of University Board Costs. The Academy shall pay the University Board an administrative fee to reimburse the University Board for the costs of its execution of its oversight responsibilities. The fee shall be 3% of the state school aid payments received by the Academy. IN NO EVENT SHALL THE COMBINED TOTAL OF COMPENSATION EXPENSES AND FEES PAID BY THE ACADEMY TO THE UNIVERSITY EXCEED 3% OF THE TOTAL SCHOOL AID RECEIVED BY THE ACADEMY IN THE SCHOOL YEAR IN WHICH THE COMPENSATION, FEES, OR EXPENSES ARE CHARGED.

Section 2.4. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. The University shall retain any amount owed to the University by the Academy pursuant to this Contract, provided that no more than 3% of each installment shall be retained by the University. For purposes of this section, the responsibilities of the University, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 2.

Section 2.5. Authorization of Employment. The Academy may employ or contract with personnel, in accordance with all state law requirements regarding certification and qualifications of certain employees of public schools. Academy shall make available to the University for its review all licenses, certifications, and other qualifications of Academy personnel required by law.

Section 2.6 Borrowings By the Academy. The Academy shall not incur indebtedness or borrow money except in accordance with law and with the prior approval of the University.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 3.1. Governmental Agency. The Academy shall act exclusively as a governmental agency.

Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject

to Section 2.5 of this Contract, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. Academy's Purpose. The Academy's purpose will be as stated in the Articles of Incorporation as set forth in Schedule 3 attached hereto.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to this Contract, the Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy.

Section 5.2. Bylaws. Unless amended pursuant to this contract, the Bylaws of the Academy, as set forth in Schedule 4 shall be the Bylaws of the Academy.

ARTICLE VI

OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the governance structure as set forth in the Bylaws. The Academy's Board of Directors shall meet monthly unless another schedule is mutually agreed upon by the President and the Academy. The Academy shall not delegate this duty of organization and administration of the Academy without the express affirmative consent of the University.

Section 6.2. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of Saginaw Valley State University. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University accepts contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals identified in the Schedule 5. Such goals may be amended pursuant to Section 8.1 of Article VIII of this Contract.

Section 6.4. Curriculum. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in Schedule 6.

Section 6.5. Methods of Accountability. The Academy shall evaluate pupils' work based on an assessment strategy approved by the State Board of Education. The Academy shall notify the President of the method(s) selected.

Section 6.6. Staff Responsibilities. Subject to Section 2.5 of this Contract, the University Board authorizes the Academy to employ or contract with personnel as outlined in Schedule 7.

Section 6.7. Admission Policy. The Academy shall comply with all admissions policies and criteria required by laws applicable to public school academies under the Code.

Section 6.8. School Calendar/School Day Schedule. The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by law applicable to public school academies under the Code.

Section 6.9. Age/Grade Range of Pupils Enrolled. The Academy shall offer programs for the grades and ages indicated in its Bylaws. The Academy may add or delete additional grades in the future, pursuant to Section 8.1 of Article VIII of this Contract.

Section 6.10. Annual Financial Audit. The Academy shall conduct an annual financial audit prepared by a certified public accountant.

Section 6.11. Address and Description of Proposed Physical Plant. The address of the proposed physical plant for the Academy is 8126 W. Vernor,
Detroit, MI 48209. A description of the proposed physical plant is attached as Schedule 8.

Section 6.12. Reports to the University President. The Academy shall provide the University President with copies of reports and assessments concerning the educational outcomes achieved by pupils attending the Academy.

Section 6.13. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles.

Section 6.14. Placement of University Student Interns. The Academy may be a placement site for University students in training to serve in public schools. Such placements shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

ARTICLE VII

COMPLIANCE WITH PART 6A AND PART 6B OF CODE AND OTHER LAWS

Section 7.1. Compliance with Part 6A and Part 6B of Code. The Academy shall comply with Part 6A and Part 6B of the Code.

Section 7.2. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School Aid Act for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 7.3. Open Meetings Act. Pursuant to Section 503(5)(a) of the Code, the Academy Board shall conduct all of its meetings, including committee or other meetings in which more than fifty percent (50%) of the Academy Board Members are present, in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Act of 1976, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.

Section 7.4. Freedom of Information Act. Pursuant to Section 503(5)(b) of the Code, the records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information act ("FOIA"), Act No. 442 of the Public Acts of 1976, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information officer to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 7.5. Public Employees Relations Act. Pursuant to Section 503(5)(c) of the Code, the Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.216 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 7.6. Non-discrimination. Each party shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti-discrimination laws such as the Elliott-Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 3 7.2 1 01 to 3 7.2804, the Michigan Handicappers' Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, and Subtitle A of Title 11 of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC _12101 et seq or any successor law.

Section 7.7. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies as public bodies. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 7.8. Federal Laws. The Academy shall comply with federal laws which are applicable to public school academies as public bodies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE VIII

AMENDMENT

Section 8.1. Process for Amending the Contract. Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The University Board delegates to its President the review and approval of changes or amendments to this Contract. The Contract shall be amended upon agreement and approval of the University Board or President and the Academy Board.

Section 8.2. Process for Amending the Articles. The Academy, by a majority vote of its Board of Directors, may at any time, propose specific changes to the Articles of Incorporation or may propose a meeting to discuss potential revisions to the Articles of Incorporation. The proposal will be made to the University Board through its designee. The University Board delegates to its President the review and approval of changes or amendments to the Articles of Incorporation. In the event that a proposed change is not accepted by the University President, the University Board shall consider and vote upon a change proposed by the Academy Board following an opportunity for a written and oral presentation to the University Board by the Academy Board.

The University Board, or an authorized designee, may, at any time, propose specific changes to the Articles of Incorporation or may propose a meeting to discuss potential revision. The Academy Board may delegate to an officer of the Academy the review and negotiation of changes or amendments to the Articles of Incorporation.

Amendments to the Articles of Incorporation take effect only after they have been approved by the Academy Board and by the University Board or its designee and filed with the Michigan Department of Commerce, Corporation and Securities Bureau. In addition, the Academy shall file with the amendment a copy of the University Board's or its designee's approval of the amendment.

Section 8.3. Process for Amending the Bylaws. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements for special meetings, and (b) the written approval of the changes or amendments by the University President. In the event that a proposed change is not accepted by the University President, the University Board shall consider and vote upon a change proposed by the Academy Board following an opportunity for a written and oral presentation to the University Board by the Academy Board. Amendments to the bylaws take effect only after they have been approved by both the Academy Board and the University President or University Board.

Section 8.4. Change in Existing Law. The Academy and University Board acknowledge that this Contract is being issued under both Part 6A as amended, and Part 6B of the Code. In the event that Part 6B is found unconstitutional or repealed, the parties agree that this Contract shall continue under the provisions and requirements of Part 6A as amended. In the event that Part 6A as amended, is found unconstitutional or is repealed, the parties agree that this Contract shall continue under the provisions and requirements of Part 6B of the Code.

ARTICLE IX
ENFORCEMENT AND REVOCATION

Section 9. 1. Grounds for Revocation. This Contract may be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 9.2, that one or more of the following has occurred:

- (a) Failure of the Academy to abide by and meet the educational goals set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Substantial failure to comply with any applicable State Board rule expressly applicable to public school academies;
- (d) Failure of the Academy to meet generally accepted public sector accounting principles;
- (e) Failure of the Academy to pay for services provided to the Academy by a nonauthorizing local or intermediate school district if the Academy requested and contracted for the services.
- (f) The Academy is insolvent or has been adjudged bankrupt;
- (g) The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- (h) The University President discovers negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, or officers in relation to their performance under this Contract;
- (i) The Academy files amendments to its Articles of Incorporation with the Michigan Corporation and Securities Bureau without first obtaining the University's approval.
- (j) The Academy has insufficient enrollment to successfully operate a public school academy and/or enrollment falls below twenty five (25) students.
- (k) The Academy's applicant(s), directors, officers, employees, or agents have provided the University false or misleading information or documentation in the performance of this contract.
- (l) The Academy acts in any way that is inconsistent with the University's responsibility to oversee the Academy's compliance with contract and all other applicable law.

- (m) Failure by the Academy to fulfill any insurance obligation under Article XII of this contract, including any failure by the Academy to increase its insurance coverage or purchase additional insurance if so requested by the University.

Section 9.2. Procedures for Revoking Contract. The University Board may revoke this Contract at any time for any reason identified in this Contract or any reason consistent with the University's responsibility to oversee the Academy's compliance with this Contract and applicable law. The decision of the University to revoke this Contract is solely within the discretion of the University Board, is final, and is not subject to review by a court or any state agency. If this Contract is revoked or terminated for any reason, the University is not liable for that action to the Academy, a pupil of the Academy, the parent or guardian of a pupil of the Academy, or any other person. The revocation of the contract shall be effective as of a date determined by the University, but in no event later than 15 days after the revocation by the University Board.

Section 9.3. Superintending Control in the Event of an Emergency. Notwithstanding the foregoing, when the University Board determines that probable cause exist to believe that the health or safety of the Academy's students is at risk, the University Board may exercise superintending control over the Academy pending revocation of the Contract.

ARTICLE X

TERMINATION

Section 10.1. Grounds for Termination by the Academy. This Contract maybe terminated by the Academy upon a determination by the Academy Board of Directors that one of the following has occurred:

- (a) The Academy has lost its right to occupancy of the Physical Plant described in Section 6.11 and could not find another suitable physical plant for the Academy prior to the expiration or termination of its right to occupy its existing Physical Plant;
- (b) The Academy is insolvent or adjudged bankrupt;
- (c) The University defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy and/or enrollment at the Academy falls below twenty five (25) students.

Section 10.2. Procedures for Terminating Contract. The Academy shall not terminate this Contract unless the following procedures have been implemented:

- (a) Notice. The Academy, upon reasonable belief that grounds for termination of the Contract exist, shall notify the President of such grounds. The notice shall be in writing and shall set forth in sufficient detail the grounds for termination. The President may conduct a preliminary review of the alleged basis for termination.
- (b) Determination By University. Upon receipt by the President of the grounds for termination, the University may accept or reject the request for termination within 30 days.
- (c) Effective Date for Termination. If the President determines that grounds exist for termination of this Contract, the Academy Board may act to terminate this Contract. The termination shall be effective upon University determination.

ARTICLE XI

PROVISIONS RELATING TO CHARTER SCHOOLS

Section 11.1. Saginaw Valley State University Faculty Employment in the Academy. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use Saginaw Valley State University faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to Saginaw Valley State University Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the Saginaw Valley State University faculty.

Section 11.3. Student Conduct and Discipline. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.

Section 11.4 Employment Qualifications for Classroom Teachers. The Academy shall employ classroom teachers who meet the certification requests set forth in Part 22 of the Code.

Section 11.5 Criminal Background Check. The Academy shall comply with Section 1230 of the Code concerning criminal background checks for its teachers, school administrators and for any other position requiring the approval of the State Board of Education. The University shall be responsible for the administration of the criminal background checks for top-level administrators.

Section 11.6 Academy Budget. The Academy Board is responsible for establishing an annual budget. Copies of the annual budget will be provided to the University.

Section 11.7. Transportation. The Academy Board may enter into contracts with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation.

Section 11.8. Intramural and Interscholastic Sports. The Academy is authorized to join any organization, association, or league which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.9. Legal Liabilities. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby covenants not to sue the University or any of the members of its board of control, officers, employees, agents, or representatives for any matters that arise under this contract or of which the University does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent contractor, of the Academy, and no such person shall have the right or standing to bring suit against the University or any of the members of its Board of control, employees, agents, or independent contractors as a result of the issuing or revocation of this contract.

Section 11.10. Lease and Occupancy and Safety Certificates. Upon request, the Academy shall provide to the President (a) copies of its lease or deed for the premises in which the Academy shall operate; (b) copies of certificates of occupancy and safety which are required by law for the operation of a public school.

Section 11.11. Deposit of Public Funds by the Academy. The Academy shall deposit or invest all surplus funds received by the Academy in a bank, savings and loan association, or credit union which is eligible to be a depository of surplus funds belonging to the state under Sections 5 or 6 of Act No. 105 of the Public Acts of 1855, being Sections 21.124 and 21.146 of the Michigan Compiled Laws. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy.

ARTICLE XII

INSURANCE AND INDEMNIFICATION

Section 12.1. Insurance. The Academy Board shall insure the real and personal property of the Academy and shall purchase general liability insurance. The Academy may join with other public school academies to obtain real and personal property and casualty insurance if the Academy Board finds that such an association provides economic advantages to the Academy. The Academy shall list the University on the insurance policies as an additional named insured. In addition, the Academy shall send to the President copies of its insurance policies. The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity.

Section 12.2 Minimum insurance coverage. The Academy shall maintain at least the minimum insurance coverages required from time to time by University insurance providers, including but not limiting to, M.U.S.I.C. At the time of execution of this contract these coverages are as follows:

- (a) General liability: \$2 million per occurrence, \$6 million aggregate;
- (b) Automobile liability: \$1 million;
- (c) Workers Compensation: statutory requirements;
- (d) School Leaders (K-12 Errors and Omissions): \$1 million per occurrence, \$2 million aggregate
- (e) Crime: \$500,000

Section 12.3 Additional Insurance Requirements. The Academy agrees that it shall maintain any and all insurance coverage required by the University. The Academy shall purchase additional coverage or policies if so requested by the University or required by the University's insurance providers or by law. The Academy agrees to enter into additional agreements regarding indemnification and insurance that may be required by the University's insurance providers.

Section 12.4 Indemnification. The Academy agrees that it shall indemnify and hold the University harmless from any and all liability as specifically required by any of the University's insurance providers, specifically including but not limiting to, MUSIC. Unless otherwise modified by subsequent agreement: the University agrees that statutory and common law theories and principles of indemnification, contribution, and equitable restitution shall govern and apply to claims, costs, actions, causes of action, losses or expenses (including attorney fees) resulting from or caused by the actions or omissions of the University, its employees and agents pursuant to this Contract. The Academy agrees that statutory and common law theories and principles of indemnification, contribution, and equitable restitution shall govern and apply to claims, costs, actions, causes of action, losses or expenses (including attorney fees) resulting from or caused by the actions or omissions of the Academy, its employees and agents pursuant to this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

ARTICLE XIII

GENERAL TERMS

Section 13.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile, telex or telegram; or (iii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other person or address as the respective party may designate by notice delivered pursuant hereto:

If to Saginaw Valley State University Board of Control:

Dr. Wayne Vasher
Director School-University Partnerships
Saginaw Valley State University
7400 Bay Road
University Center, Michigan 48710

If to Academy:

Duane Shepherd
Michigan Partnership for New Education
4660 S. Hagadorn Road, Suite 500
East Lansing, Michigan 48823-5353

Section 13.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 13.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 13.4. Entire Contract. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 13.5. Assignment. This Contract is not assignable by either party without the prior written consent of the other party.

Section 13.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 13.7. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 13.8. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 13.9. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 13.10. Non-agency. It is understood that the Academy is not the agent of the University.

Section 13.11. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 13.12. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 13.13. Term of Contract. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of three (3) years unless sooner terminated according to the terms hereof. Provided however, that either party may terminate this Contract as of the first or second anniversary of the signing of this Contract by giving written notice of their intent to terminate not less than sixty (60) days prior to such anniversary date.

This Contract shall be renewed automatically for additional three (3) year terms thereafter unless written notice of intent to terminate or renegotiate sections of the Contract is given by either party not less than sixty (60) days prior to expiration of the current term.

Section 13.14. University Board General Policies on Charter Schools Shall Apply. Notwithstanding any provision of this Contract to the contrary, if the University Board adopts additional general policies clarifying procedure and the requirements applicable to public school academics under this contract, the University Board's general policies as from time to time amended will automatically apply to the Academy after thirty (30) days' notice, provided they are not inconsistent with provisions of this Contract. The Academy shall comply with all such policy statements and operating guidelines prepared by the University and/or the University Board including, but not limiting to, the Policy Statement and the Oversight and Evaluation Guidelines attached hereto as Schedules 9 and 10.

The undersigned have read, understand and agree to comply with and be bound by the terms and conditions set forth in this Contract.

ACADEMY:

Cesar Chavez Academy

By: 

Its: Board President

Date: 7/25/96

UNIVERSITY:

Saginaw Valley State University
Board of Control

By: Ruth A. Braun

Its: CHAIR

Date: 7-25-96

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